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By:

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Making carbon markets work for Africa

According to the *Economic Commission for Africa*, the continent has vast amounts of carbon stored in its ecosystems with the Congo forests being able to absorb about 1.2 billion tons of CO2 each year. The Congo Basin holds roughly 8% of the world's forest-based carbon. ECA Acting Executive Secretary, Mr. Antonio Pedro, said, “Carbon markets present a great opportunity for African countries to utilize their abundant natural resources to unlock economic value and accelerate sustainable industrialization and economic transformation and diversification.” Mr. Pedro emphasized that Africa is at the cusp of an opportunity to develop the voluntary carbon credit market that will boost climate action while enabling value creation and fostering sustainable livelihoods for communities. At COP27, African countries launched the Africa Carbon Markets Initiative to produce 300 million carbon credits annually. The initiative seeks to unlock $6 billion in revenue and create 30 million jobs by 2030.

Banks to provide extra funding to private sector lending

According to Timothy Odinga from *The Business Daily*, bank executives informed the Central Bank of Kenya (CBK) that they will channel 33% of the extra liquidity to lending to businesses and households and 20% to buying Treasury bonds. Small and medium businesses have long complained about a lack of access to credit, or of being charged high interest rates due to a perception by lenders that they are too risky. The banks have reviewed the base rates, and some have successfully applied to the CBK to revise upwards the risk premium in what could end the era of cheap credit.

Mauritian company purchases Kenyan drugs distributor

Linet Owoko from *The Business Daily* shares that the Mauritian conglomerate IBL Group has bought an undisclosed stake in Nairobi-based pharmaceuticals distributor Harley's as part of a consortium that has taken control of the company. The multinational has several other pending acquisitions and new business formation plans in the local market, underlining its rapid investments in Kenya. The buyout of Harley's is the latest in the formal medical distribution sector that has attracted major investors including private equity funds.

Fintech Power Financial eyes Kenyan and Zambian growth

According to Kepha Muiruri from *The Business Daily,* financial services provider Power Financial Wellness has raised $3 million seed funding with proceeds set to finance the platform's expansion in Kenya and Zambia. The fintech startup, which is owned by Frictionless Enterprises Limited describes itself as a digital platform for employees and gig workers aiming to improve their financial well-being. Through partners, the company allows workers to access earned wages, long-term loans, insurance, and savings. QED Investors Partner and Head of Africa Gbenga Ajayi noted "There is a massive and untapped opportunity to provide niche and relevant financial services to a demographic of the population often overlooked or underserved by existing providers."

Cocoa exporters in Ivory Coast fear default as bean shortage hits hard

AfricaNews shares that the world's top cocoa producer may be facing a bean shortage. Ivory Coast cocoa exporters were close to defaulting on their contracts and urgently needed up to 150,000 tons to honor their commitments. According to the Coffee-Cocoa Council, Cocoa farming employs nearly 600,000

farmers in Ivory Coast, ultimately supporting nearly a quarter of the country's population. The Cocoa and Coffee Council allegedly proposed pushing back the loading period for the contracts of struggling exporters to June, to enable them to buy beans during the mid-crop harvest.

South Africa's President Admits Power Crisis Is Hurting Mining

South African President Cyril Ramaphosa has said the county's electricity crisis has severely damaged its mining industry, a key pillar of the economy. The Minerals Council South Africa, which represents mining companies, estimates that total mining volumes were down by 6%, or U.S.$ 1.8 billion in 2022. Ramaphosa told investors that the government has already introduced the Energy Action Plan to improve the "performance of our existing power stations and to add new generation capacity to the grid as quickly as possible".

$45m milk powder factory to start production

Emmanuel Ntirenganya from *AfricaNews* shares that Inyange Industries Ltd, Rwanda's largest agro-processing firm, is setting up a milk powder factory with an estimated $45 million investment, in the Nyagatare District, Eastern Province. Production is expected to start in May 2023. According to industry players, the development is expected to help transform the country's dairy sector. The plant will have capacity to process 500,000 liters of milk in liquid form into 50 tons of milk powder a day.

Events - 02.16.2023

Reminder:

"Geopolitical Headwinds: Trade & Business in Africa in 2023 and Beyond." Invest Africa. *London, England*. 1 March 2023.

Upcoming:

"**Ninth session of the Africa Regional Forum on Sustainable Development**." Economic Commission for Africa. *Niamey, Niger and Online*. 28 February - 2 March 2023.

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